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ACTION WHA-00

INFO	LOG-00	EEB-00	AF-00	VCI-00	AID-00	CEA-01	CIAE-00
	CTME-00	INL-00	DNI-00	DODE-00	DOEE-00	ITCE-00	DS-00
	EAP-00	DHSE-00	EXME-00	AVC-00	EUR-00	E-00	UTED-00
	DIAS-00	FRB-00	H-00	TEDE-00	INR-00	LAB-01	L-00
	ARMY-00	MOFM-00	MOF-00	VCIE-00	NRC-00	NSAE-00	ISN-00
	NSCE-00	OES-00	OMB-00	NIMA-00	EPAU-00	MCC-00	PER-00
	MA-00	ISNE-00	DOHS-00	SP-00	SSO-00	SS-00	STR-00
	TRSE-00	NCTC-00	FMP-00	BBG-00	EPAE-00	IIP-00	DSCC-00
	PRM-00	DRL-00	G-00	NFAT-00	SAS-00	FA-00	SWCI-00
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E.O. 13526: N/A
 TAGS: ENRG, EPET, SENV, PGOV, CA
 SUBJECT: Ambassador Jacobson's Visit to Saskatchewan and Alberta,
 September 12-18, 2010

Sensitive But Unclassified (SBU)

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Please Handle Accordingly

 SUMMARY:

UNITED STATES DEPARTMENT OF STATE
 REVIEW AUTHORITY: NORMAN M BOUTON
 DATE/CASE ID: 27 JUN 2011 201102141

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1. (SBU) During a visit to Saskatchewan and Alberta September 12-18, 2010, Ambassador Jacobson delivered a keynote speech on energy and environment in both Saskatoon and Calgary and met with government, business and community leaders in both cities as well as at the Global Business Forum in Banff, Alberta. He also visited a uranium mine in northern Saskatchewan, which along with other mines in the area, provides 20% of the world's uranium. The Ambassador appeared on TV and radio and met with journalists and editorial boards to reinforce key U.S. messages including the need to balance energy and the environment, Canada's key role in U.S. energy security, the Administration's commitment to strong U.S.-Canada ties, and the need to achieve both security and efficiency at our shared border. End Summary.

Uranium Mine in Northern Saskatchewan A Major U.S. Supplier

2. (SBU) The Ambassador started off with a briefing on nuclear issues from Gerry Grandey, CEO of Cameco, the world's second largest uranium producer with operations in Saskatchewan, Wyoming, Nebraska, and Kazakhstan. Cameco is also a partner in the Megatons to Megawatts program to eliminate 20,000 warheads from the Former Soviet Union.

3. Grandey discussed the low operating costs of nuclear power plants (1.7 cents per kilowatt hour vs. 2.3 cents for coal and 4-6 cents for gas) and estimated that carbon dioxide (CO₂) emissions from full cycle nuclear power production were 2% those of coal. While small modular nuclear reactors have been suggested by some as potentially useful in fueling oil sands extraction processes involving steam production, Grandy was skeptical. He pointed out that steam can only be piped short distances and placing small reactors in close proximity to all of the plants would be hugely expensive.

4. The Ambassador then visited Cameco's McArthur River mine in Northern Saskatchewan, the world's largest high-grade uranium mine. In 2009, McArthur River produced more than 19 million pounds of uranium (about 14% of world production that year), 3 million pounds of which supplied U.S. reactors. With over 335 million pounds of proven and probable reserves, Cameco foresees production extending to 2033.

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Energy/Environment Speech and Outreach

5. (U) The Ambassador delivered an energy/environment keynote speech to government, business and community leaders in Saskatoon on September 14 and in Calgary on September 15. He followed each speech with press scrums and then meetings with the editorial boards of each city's major newspapers - the Saskatoon Star Phoenix and the Calgary Herald. He also appeared on radio with influential Canadian conservative political talk show host Dave Rutherford. Key themes the Ambassador highlighted in his speech and other outreach activities included the key role Canada plays in North American energy security, the deeply intertwined issues of energy and environment, the need to develop hydrocarbons in the most responsible way possible even as we transition to lower-carbon energy sources, and the need for cross-border cooperation in developing technologies and policies that ameliorate the environmental impact of energy production. The Ambassador's messages were picked up across Canada by both print and television.

Saskatchewan Seeking to Cooperate on Carbon Capture and Storage

6. (SBU) During a September 14 dinner in Saskatoon with Saskatchewan's Deputy Premier and three additional ministers, the officials emphasized Saskatchewan's strong desire to cooperate with the U.S. on carbon capture and storage research and development. Specifically, the provincially-owned electric company SaskPower proposes to develop the Saskatchewan Demonstration Facility, a host coal-fired generating facility fitted to demonstrate multiple carbon capture technologies. The performance results would be transferred to the province's Boundary Dam Integrated Carbon Capture and Sequestration Demonstration Project's commercial-scale model and would yield a more accurate accounting of the costs of carbon capture. Saskatchewan had signed an MOU with Montana to cooperate on this project, but funding was not identified on the Montana side. The province is now seeking support from the U.S. Department of Energy to be added to contributions from the Canadian federal and Saskatchewan provincial government.

Speech at the Global Business Forum with Canadian Ambassador to the

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7. (SBU) On September 17, the Ambassador and Canadian Ambassador to the U.S. Gary Doer delivered the breakfast keynote speech at the Global Business Forum (GBF) in Banff, Alberta. GBF is an annual gathering of 200 members of Alberta's business and political elites to examine regional and global economic trends and developments. The theme of the speech was "Canada and the U.S. - Business Friends and Hockey Foes." The Ambassador highlighted key policy priorities including expanding security beyond the border to ensure greater safety and easier flow of people and goods; balancing better energy and environment; and identifying and reducing non-tariff trade barriers.

8. (SBU) On the margins of GBF, the Ambassador met with Alberta Environment Minister Rob Renner and TransCanada CEO Russ Girling.

The meeting with Renner focused on Alberta's efforts to clarify information related to oil sands production for American audiences. Minister Renner sought the Ambassador's advice on how best to reach key decision makers and influencers in Washington. Girling updated the Ambassador on the status of the Keystone XL pipeline project, outlining the potential for job creation in several U.S. states and expressing concern about the impact that a delay in receiving a Presidential Permit could have on agreements with major pipeline users. With regard to recent pipeline leaks, Girling indicated that he was pleased to hear the Ambassador say publicly that pipeline safety issue was not perceived as a "Canadian" problem. He indicated that TransCanada recognizes there is a need to work across industry to ensure pipeline safety and integrity.

COMMENT

9. (SBU) During this swing through Saskatchewan and Alberta provinces, the Ambassador spoke to the issues foremost on the minds of many here - energy and the environment. There is continuous underlying concern on this side of the border about possible American legislative or regulatory challenges to our cross-border oil sands trade, and a constant hunger for information about the Administration's views on oil sands and the environmental impact of its development. The Ambassador's recognition of the important role oil sands play in U.S. energy security and of the progress made to date to reduce their environmental impact was noted. But

audiences also heard loud and clear that additional progress on the environmental front is necessary so that we can continue to use this resource over the coming decades even as we transition to a less carbon-intensive economy.

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